

1952

Congressman Mike Mansfield - Farm

Mike Mansfield 1903-2001

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FARM

1952

My Fellow Montanan's

I am happy to have this opportunity to speak to you on some aspects of agricultural production which I hope you will find of interest.

A nation must eat. New cars, refrigerators, and television sets are mighty nice to have. But unless there is food in the pantry, nothing else matters.

This is the main reason why agriculture will always be our most important industry.

But agriculture's importance lies in more than this. If the farmer and his land prosper, the Nation is likely to prosper. When the farmer can buy, the manufacturer can sell; when the manufacturer can sell, there are jobs for city workers.

America has always known the value of the farmer's place in the scheme of things. But not everyone has recognized that the Nation's dependence on the farm is matched by the farmer's dependence on the rest of the Nation. What we do about inflation, military strength, unemployment, monopoly, taxation and foreign policy can make or break the farmer.

We know what can happen when these decisions are mishandled by men whose thinking has lagged behind reality.

Farmers will long remember the collapse of farm prices in 1921, and the lengthening shadows of the later twenties, warning of the gathering storm ahead. They will never forget the brief, tragic period when 233,000 farmers lost their homes and their land to the men holding the mortgages. They have vivid memories of milk holidays, bank failures, two-bit wheat, 15-cent corn, 2½-cent beef, and food rotting in the fields while city children lacked bread.

Farmers can recall when the parity ratio stood at 55 percent and the farmer cleared \$247 per year - \$247 per year on which to raise a family. That kind of poverty does not build character. It builds only despair and a burning

sense of injustice.

In the last couple of decades, however, the American farmer has come up from the black pit of desperation, foreclosures, crashing farm prices, and staggering piles of unwanted crops. He has had behind him the assurance that the bottom would not be allowed to drop out of farm prices-as it does not drop out of the manufacturers' prices. He has had an opportunity to electrify his farm at a reasonable cost, bringing greater efficiency.

A realistic system of farm credit has helped him expand production and survive the lean years. An ever-normal granary has stabilized his supply of livestock feed, as well as safeguarded the Nation against food shortages. The Government has promoted the growth of farm cooperatives, brought about tremendous progress in soil conservation, and stimulated modern farming practices.

Given a fair break, the farmer has forged ahead as never before.

It is important now, as we ponder what Government policies will be most helpful to farmers and the Nation, to compare agricultural conditions today with those of 20 years ago.

Seventy-five percent of our farmers own their own farms, compared to 58 percent in 1932.

Farm mortgage debt is down from more than \$9,000,000,000 to less than \$6,000,000,000.

Net farm income is up from \$1,900,000,000 to \$14,600,000,000 a year.

In 1929, only 8 percent of the Nation's farms had electricity; in 1932, it was only 9 percent. REA, plus enlightened policy of private utilities in some States, have raised this to ⁸⁵92 percent.

Eighty percent of the Nation's farms are included in the 2,450 soil-conservation districts created since 1937.

But this is not all. Equally remarkable is the farmer's record of

increasing man-hour output 70 percent in the last 20 years. Backed up by outstanding research in the Department of Agriculture and the State experiment stations, he has increased his efficiency in the past 10 years three times faster than the rate for industry. This is an astounding performance.

The farmer has a right to be proud of this achievement. The Nation can also take pride and satisfaction in what has been done. Everyone in our country has profited, directly or indirectly, by the progress which the farmers have shown they can make if fair opportunities are given to them.

We have made a lot of progress - but we have not come to the end of the road. The world changes, and agriculture changes with it. Policies which are sound at one time are out of date at another. The farm program must be continually reexamined in the light of the changing picture of today and the prospects of tomorrow. If we are satisfied to pat ourselves on the back, if we forget to profit by the mistakes of the past, if we fail to look and plan ahead, we may lose what has been won.

What are the main questions farmers are asking themselves these days? It is important to face them squarely.

First, what Government policies will help the farmer meet the Nation's food requirements in the years ahead?

This is a crucial problem. We have already brought into production about all the farm land the Nation has. In some areas, in fact, we have plowed up land which better would have been left in sod. Yet, in 1975, it is estimated, there will be five plates to fill, where now there are four. Every 24 hours 7,000 more persons look to the farmer for bread.

This presents a major challenge to the farmer, and a problem of utmost concern to the Nation. It is imperative that we follow the most modern practices, conserve our soil prudently, and insure that Government policy is geared to stimulate, rather than to stifle, production.

Of this we may be sure. The Farmer likes to produce. Nothing suits him better than an opportunity to turn out bumper crops-at prices which net him a reasonable profit.

What governmental policies will help the farmer do the job?

Farmers do not ask for prices that make it tough on the low-income consumer. They do want and are entitled to a fair return on their labor and their investment. They do not want the taxpayer to carry them on his back. They do not want their freedom eroded. They are willing, however, to accept such intelligent rules as are necessary to their welfare and the welfare of the Nation.

To those sincerely seeking a farm program of maximum usefulness, a number of other questions press forward.

Is it fair to give price protection to some farmers and deny it to others? Since the question answers itself, how do we go about correcting the unequal situation that exists today?

What can and should be done to help the 1,200,000 farmers who produce less than \$2,000 worth of commodities every year? We have thousands of them in Montana.

These farmers, many of whom got off to a bad start through no real fault of their own, are not enjoying the living standards America can offer. Whatever can be done to help them work out a satisfactory, self-sustaining income should be done.

These farmers do not want charity - and should not get it. But if we can help them get a new start, under conditions which bring out the best that is in them because they see the prospects of better things ahead, they can make important contributions to their communities which will be of advantage to all of us.

What amount and what kind of food reserves should the Nation have?

This is an exceptionally important question, because of the current threat to peace inherent in the ominous international conspiracy known as communism. Some hard thinking needs to be done in this area-now.

Finally, what should be our policy on the exporting and importing of farm products?

Farmers and farm organizations have already done a lot of spadework on most of these problems. So have Members of Congress. It is important that we get the right answers.

Here are a few suggestions. They are not put forward in any sense as final conclusions, or as the only answers. They are simply recommendations-recommendations which others will undoubtedly be able to improve upon. But I hope they will provoke thought and discussion, and help contribute something toward the development of sound agricultural policies for our time.

Basic to the problem of protecting agriculture against depression and stimulating abundant and confident production, is the system of price supports. Price supports are essential to protect the Nation from a collapse of farm income which, in 1930 and at other times, has touched off major national depressions. Only war would be a greater disaster than another depression on the scale of the early thirties.

Our policy should be directed toward creating the economic climate in which farmers will produce to the maximum the foods we need, and receive for their products prices as close to parity as possible. This provides the best guaranty of adequate supply and therefore the best break for the consumer as well. After all, is not parity, by definition, the price at which the farmer can receive in the market place a return which will enable him to buy the

things he needs on a fair basis? Farmers should not be forced to sell cheap and buy dear.

Of course, if price guaranties should bring about persistent surpluses of certain crops, or excessive costs to the taxpayer, or if to avoid these evils the Government should be tempted to impose too many controls, supports should be adjusted accordingly. The farmer must never be penalized for producing abundantly the things we need; on the contrary, he must be encouraged to do so. If production of a particular commodity goes beyond abundance and into waste, he would want sensible adjustments to protect both the farmer and the national economy. Some flexibility in the price-support system strengthens our capacity to deal with special situations.

A serious weakness in the present farm program is its failure to protect specialty crops adequately. Producers of fruits and vegetables have little price protection compared to other producers. Obviously, there can be no real justification for helping one group of farmers far more than others.

The regular price-support system does not seem to provide the answer for most perishable commodities. In order to maintain price-support guaranties in this area, the Government undoubtedly would have to resort to mass purchases from time to time. This frequently would be followed by the rotting or destruction of food, something none of us wants to see happen.

One alternative to price supports I have been studying, is a system of mutual price insurance. This idea should be thoroughly explored, for it may be the answer we are looking for.

In the field of fruits and vegetables, prices fluctuate sharply from year to year. Good prices 1 year may be followed by unprofitable prices the next. It may be possible to work out a voluntary, self-financing insurance plan to level out the losses suffered during bad years. If farmers were to contribute

to the insurance fund during favorable years, and receive payments from the insurance pool during poor years - in proportion to their marketings- we might go a long way toward solving the problem.

The Government's part should be limited if possible, to administering the plan, and paying the administrative costs. It would be hoped that no direct Government contribution would be necessary to persuade farmers to join the system in sufficient numbers to make it workable.

A plan of this nature would of course present difficulties. But if farmers put their best efforts into working out a sound insurance plan, these would not be insuperable.

Only in a major depression should it be necessary to supplement the insurance fund in order to give these producers the protection they unquestionably deserve.

The dilemma of low-income farmers, of course presents a special problem requiring special treatment.

The Farmers' Home Administration, if its activities were expanded, could do a lot toward putting many low-income farmers on their feet. Wherever individual farmers want and need to enlarge their acreage, modernize their farms, or convert from a low-cost type of farming to a more costly type (such as livestock farming) the FHA should help them do the job if loans from private sources are not available. At the present time 96 percent of FHA loans are being paid on or before schedule. By carefully selecting enterprising farmers in unfortunate circumstances, thousands of farmers can be helped to get a new lease on life.

Another problem of national as well as individual importance is that of adequate food reserves.

Our present ever-normal granary program builds up reserves of a few storables to take care of normal ups and downs of national yields. But even this does not provide a reserve for great national emergencies. We know from our experiences in World War II and in the Korean conflict, how indispensable our food reserves can be.

When we are spending scores of billions on military defense and stockpiling critical metals for an hour of emergency, it is a tragic mistake not to stockpile food reserves for war. We need to store several hundred million bushels more of both corn and wheat, substantial amounts of fats and oils, dried beans and peas, canned milk, dried fruits, and such other items as are storable and necessary to a sound diet. In the event of an atomic world war, these reserves could mean the difference between our survival and the loss of all our liberties. Certainly we should not overlook the compelling need for a national food policy which recognizes the tremendous dangers involved in a world in which freedom and communism are locked in a gigantic struggle for the future of the human race.

In dealing with certain controversial aspects of agricultural policy, it is essential to be guided by the facts, and not be deceived by misconceptions of our national position, even if widely held.

There is a good deal of discussion about the advisability of allowing foreign farm produce to compete, to some extent, with our own. Many fail to realize that, if we adopted a policy of isolation and exclusion, we would be damaging not only the Nation but also our farmers.

Our total farm exports in 1951 were valued at over \$4,000,000,000. This represented about one-ninth of the total value of farm produce sold during the year.

We ~~imported~~ ^{imported} only about \$2,300,000,000 of farm products which competed with our own. The balance of our imports consisted of noncompetitive items

such as bananas, cocoa, coffee, and so-forth.

During the first 4 months of 1952, to take a specific example, we exported far more dairy products than we imported.

After excluding the small amount of dairy exports which were subsidized by our Government, our dairy exports were almost three times as great as our imports.

Our overseas sales drain off surpluses which would otherwise depress the domestic price, or increase the cost of maintaining the support level. And here is the point to remember: Foreign nations have repeatedly threatened to raise barriers against American agricultural exports if we deny them the right to sell to us. We must make sure this does not happen. The loss of our foreign trade would be a major blow to the American farmer.

This, all too briefly, capsules part of the farm picture and points out some of the jobs that lie ahead. It is my earnest hope that the ideas touched on here will stimulate farmers to renewed efforts to strengthen the farm program to meet their needs and the needs of our people. ✕

A prosperous agriculture goes far toward building the character of the Nation. It contributes stability. It nourishes the solid virtues of diligence, frugality, and self-reliance. It replenishes the Nation's human stock with those who have lived close to nature and to God.

The welfare of agriculture lies at the core of a sound economy. None of us can afford to permit the farmer once again to become America's forgotten man.